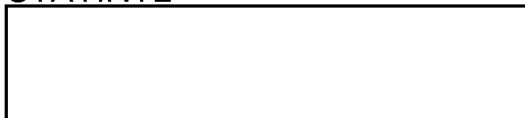



OGC Has Reviewed

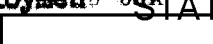
2 March 1956

STATINTL



Dear General:

We have received a notice from the Finance people reporting compensation paid to you for consultant services rendered to us during the first three months of 1955. These payments are presumably reportable as income to you in your income tax return for that period. We, therefore, felt it proper to confirm the exact amount to you, which is  We believe it should be reported on the regular form as "Consultant Fee-U. S. Government." STATINTL

In addition to the regular income tax aspect, since you were in the status of an independent contractor at that time, there is an additional item of the so-called "self-employment tax." This is in lieu of a regular employee's Social Security tax and should be shown in Schedule C with the applicable rate of three per cent. In case you have other income subject to the self-employment tax, the maximum which need be reported for this purpose is  STATINTL

In case you have filed your Federal income tax for the period involved without this information and any correction is necessary you should file an amended return. If we can be of any help to you in regard to this matter, please let me know.

Sincerely,

S/

Lawrence R. Houston

STATINTL

DCNEA 

Rewritten: OGC:LRH:jeb

cc: NEA

General Counsel

Pls. 5  
C. R. L. 1